



DIGITAL PAYMENTS REVOLUTION:



INDIA'S MARCH TO A TRILLION



INTERVIEWS WITH INDIA'S DPI LEADERS

SAHAMATI - COMPANY PROFILE

Sahamati, is a market-led alliance to anchor the adoption and implementation of the Account Aggregator (AA) framework in India. We aim to contribute to a paradigm shift where data capital becomes an instrument to drive positive change and foster opportunities for individuals across backgrounds. We envision a future where individuals, businesses, and institutions realize the benefits of agency and control over their data.

“We believe in a world where everyone has access and control over their data. We believe agency over data could empower Indians with opportunities to improve their own lives.”

We recognized that opening up financial data across institutions is a paradigm shift. Although some processes, platforms, and institutions have made customer data accessible, pivoting institutions toward an open data ecosystem is arduous. Sahamati was formed as a coalition of market players dedicated to the fundamental objective of data empowerment.

This visionary commitment of a nascent ecosystem to strengthening customer agency and choice proved critical in institutionalizing the Account Aggregator (AA) ecosystem in the financial sector.

The journey of Sahamati is a testament to the sheer willpower, grit, and resilience of the collective efforts of the industry to realize a customer-centric data empowerment paradigm. Nonetheless, the proactive succor and recognition from regulators and policymakers have been crucial for the ecosystem's prosperity.

B.G. MAHESH - CEO

B.G. Mahesh is a veteran technocrat with over 30 years of experience in building digital-first solutions tailored for India's diverse population. As CEO of Sahamati, he leads the charge in advancing the Account Aggregator (AA) ecosystem—a key pillar in India's data empowerment and financial inclusion journey. Sahamati is a not-for-profit collective that gives individuals and businesses control over their financial data through secure and consent-based sharing.

Before Sahamati, Mahesh made significant contributions to Indian language digital media. He founded Greynium Information Technologies, which runs Oneindia.com, India's largest multilingual portal. Notably, Oneindia was built without VC funding or marketing spend and was later acquired by DailyHunt. His digital journey began in 1992 with Mahesh.com in the US, followed by Indiainfo.com in 1999—one of India's earliest language portals.

Mahesh has also led digital innovation in Indian elections and won the Dataquest Pathbreaker Award in 2014. Passionate about tech for good, he actively mentors startups and continues to shape India's digital public infrastructure.

INTERVIEW WITH B. G. MAHESH

CEO, SAHAMATI



1. Evolution and Current State of DPI

a. What unique aspects of India's market are driving the evolution from concept to implementation?

When it comes to technology, especially in Fintech, India leapfrogged when compared to other countries combination of a young, vast population, high mobile and internet penetration, a strong policy push, and a willingness to experiment has driven DPI from conceptualization to widespread implementation.

b. What were the critical success factors in achieving widespread DPI adoption?

DPI has provided a solution which has helped in removing friction in something which we use in our everyday life. For eg. UPI has made it easy to make payments. Aadhaar has made it easy in verifying identity, and the Account Aggregator (AA) framework is unlocking seamless data sharing with consent.

We believe key success factors have been interoperability, standardization, a strong policy foundation, and an ecosystem approach where private and public entities collaborate to drive adoption.

c. How has DPI impacted traditional financial institutions and their business models?

DPI has standardized things, removed FRICTION which has made it possible to build solutions at a population scale.

DPIs certainly introduce competition; but at the same time, DPIs also tend to expand the market. So, in a pie that is expanding, marginal decrease of share does not necessarily translate into negative impacts on an absolute level. Rather, traditional financial institutions have one of the largest opportunities to leverage DPIs as they already have an established presence, strong suite of services, etc.

2. Ecosystem

a. How can DPI facilitate better integration between traditional banks and fintechs?

Frameworks basically standardise things. It removes the friction in integration. And it helps fintechs to work with multiple banks (REs) without having to rewrite the code as the entire framework is standardised. Also, this gives an opportunity to fintechs to go global. Essentially DPIs enable partnerships between traditional REs and fintechs by decoupling innovation and service delivery. For example: fintechs can innovate on customer experience, data analytics, UI/UX, while REs focus on regulatory compliance and service fulfillment.

b. What frameworks are being considered for increased private sector participation, especially startups in DPI development? What opportunities exist for them?

The opportunity to build on DPIs especially with an impact on the financial services industry such as AA, ULI, ONDC-FS, is an upside potential for massive democratization of finance. By operationally empowering institutions and reducing the barriers to entry, these DPIs are charting a new wave of fintech that can usher in unprecedented financial inclusion and innovation in India. We foresee a huge uptick in digital lending, personal finance management, and other hyper-personalized financial services.

c. How can public-private partnerships be strengthened to enhance the effectiveness of DPI?

India's DPI journey has always been a product of strong public-private collaboration—UPI, AA, and ONDC-FS are prime examples. Strengthening these partnerships requires structured industry engagement, participatory governance mechanisms, and industry-led institutions like Sahamati and ONDC that drive operational governance while aligning with public policy goals.

d. What are the main challenges in scaling DPI solutions across India? What strategies can be employed to overcome these barriers?

Initial adoption is always challenging. One needs to demonstrate what are the benefits for an entity to implement a DPI.

A fundamental challenge in nurturing and institutionalizing DPIs—at least the hurdles we faced—are establishing manufacturers and consumers of services parallelly—the classic cold start problem. We believe a two-pronged approach of market education, awareness, and advocacy combined with regulatory & policy nudges has worked well to balance incentives for all stakeholders in the ecosystem.

3. Regulatory Framework and Governance

a. What are the key governance frameworks for DPI implementations?

Governance of DPIs has evolved as the sophisticated nature of DPIs itself. UIDAI started as a NIU (National Information Utility) similar to GSTN etc. and became a statutory body with the Aadhaar Act. NPCI was always a statutory body. But if you look at Sahamati or ONDC, these are bottom-up institutions that have no formal regulatory, policy, or statutory backing. This shift towards decentralized governance models ensures agility and innovation while maintaining trust.

b. How do you address the need for enhanced data privacy and security standards in DPI implementations?

As a fundamental principle of system design, DPIs should ensure security technologically embedded into the protocols.

c. What are the key regulatory challenges that need to be addressed to maximize the potential of DPI?

Regulatory backing is essential, but it must be designed to enable, not hinder, innovation. Overregulation or misaligned policies could slow DPI adoption. A balanced approach that prioritizes regulatory clarity, proportional compliance requirements, and industry consultation is crucial to unlocking the full potential of DPI.

d. What regulatory frameworks are needed to support the next phase of DPI evolution?

From an Open Finance perspective, strengthening the participatory nature of ecosystem governance is crucial. Regulatory frameworks should encourage industry-led mechanisms that bring together financial institutions, fintechs, and other stakeholders to collaboratively set standards, address grievances, and ensure compliance.

4. Technical Infrastructure and Scalability

a. What technological improvements are planned for the next stage of scale?

From Sahamati and Account Aggregator ecosystem vantage point, we are building SahamatiNet—a comprehensive technology infrastructure that strengthens the operational muscle of the ecosystem. Our approach is to create network capability to unburden participants from redundant, operational burden, and let them focus more on customer service optimizations and innovation.

b. What emerging use cases do you envision being built on top of India's existing DPI stack in the next 3-5 years?

The DPDP Act will play an important role. Many new use cases will emerge as data principals can share their data with the help of a consent manager, need not be just financial data or financial use cases. Beyond finance, sectors like healthcare and telecom, will leverage DPI frameworks for identity verification, consent-based data exchange, and personalized service delivery.

c. How are you addressing security and fraud prevention in the DPI ecosystem?

Fraud prevention remains a key challenge, especially in mitigating social engineering risks.

Continuous customer education, robust fraud detection models, and real-time transaction monitoring are critical to ensuring DPI security. Strengthening authentication mechanisms and leveraging AI-driven anomaly detection will further enhance trust in DPI ecosystems.

5. Global Perspective

a. How can India's DPI model serve as a blueprint for other countries looking to enhance their financial services infrastructures?

India's DPI has shown how low cost frameworks can be built for population scale cutting across diverse demographic segments of countries with benefits ranging from consistent enhanced customer experience to improved access to financial products and services expanding financial inclusion.

b. How can international partnerships enhance the development and adoption of DPI globally?

Global partnerships can accelerate DPI adoption by fostering knowledge exchange, interoperability, and regulatory harmonization. Collaborative initiatives between India and other markets can lead to standardized frameworks for cross-border transactions, data portability, and financial inclusion.

c. What are the opportunities and challenges in leveraging DPI for cross-border payments and digital commerce?

DPI can revolutionize cross-border transactions by lowering costs, improving transaction speeds, and ensuring greater transparency. However, regulatory fragmentation, data privacy concerns, and the need for global interoperability standards remain significant challenges. Overcoming these hurdles requires coordinated policy efforts and international standard-setting bodies working together to create frictionless digital trade ecosystems.



The Emerging Payments Association Asia (EPAA) is a leading association for innovative businesses in the Asia Pacific payments ecosystem, including banks, issuers, and technology providers.

EPAA hosts discussions, think tanks, and networking events, providing members with insights while influencing policy and regulation and representing APAC in international forums.

The community amplifies the voice in payments, connects business opportunities, and drives innovation to improve the financial payments landscape and lives everywhere.

SCAN TO DOWNLOAD



<https://emergingpaymentsasia.org/>



The Emerging Payments Association Asia (EPAA) is a leading association for innovative businesses in the Asia Pacific payments ecosystem, including banks, issuers, and technology providers.

EPAA hosts discussions, think tanks, and networking events, providing members with insights while influencing policy and regulation and representing APAC in international forums. The community amplifies the voice in payments, connects business opportunities, and drives innovation to improve the financial payments landscape and lives everywhere.

CONTACT US

